

Message Text

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FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC PRIORITY 7981

USDOC WASHDC PRIORITY

UNCLAS SECTION 1 OF 4 THE HAGUE 2079

E.O. 11652: N/A

TAGS: BEXP, AFSP, NL

SUBJECT: PRELIMINARY INPUT FOR FY-78 COUNTRY COMMERCIAL PROGRAM

REF: (A) STATE 054879, (B) THE HAGUE 0339, (C) STATE A-7369,
DECEMBER 10, 1975

1. INTRODUCTION AND SUMMARY.

A. AS REQUESTED IN REF A, THIS TELEGRAM INCLUDES OUR PRELIMINARY RECOMMENDATIONS FOR CAMPAIGN AND NON-CAMPAIGN INITIATIVE ACTIVITIES FOR FY-78 CCP, AS WELL AS THE RESOURCES SUMMARY TOTALS, WHICH HAVE BEEN APPROVED BY THE AMBASSADOR AND THE OTHER MEMBERS OF THE EMBASSY ACTION GROUP (EAG).

B. WE EXPECT THAT BY IMPLEMENTATION TIME OF FY-78 CCP MOST OF WESTERN EUROPE, INCLUDING THE NETHERLANDS, WOULD HAVE SUCCESSFULLY COME OUT FROM THE CURRENT RECESSION AND WOULD HAVE SUBSTANTIALLY INCREASED ECONOMIC ACTIVITIES. THIS DEVELOPMENT SHOULD ENHANCE POTENTIAL FOR EXPORTS OF U.S. GOODS AND SERVICES. THEREFORE, WE HAVE INTRODUCED CHANGES WITH REGARD TO THE CAMPAIGN AND NON-CAMPAIGN INITIATIVE ACTIVITIES OF OUR RECOMMENDATIONS FOR THE FY-77 CCP (REF B).

C. WE PROPOSE FOR THE FY-78 CCP TWELVE CAMPAIGNS (THE EIGHT MENTIONED IN REF B, PLUS THREE WHICH WERE PREVIOUSLY IN THE NON-INITIATIVE CATEGORY, PLUS ONE NEW CAMPAIGN: COMMUNICATIONS EQUIPMENT), AND ELEVEN NON-CAMPAIGN INITIATIVE ACTIVITIES. THE LATTER INCLUDE SEVEN INITIATIVES PREVIOUSLY RECOMMENDED
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FOR THE FY-77 CCP AND FOUR NEW ACTIVITIES: ELECTRONIC INDUSTRY

PRODUCTION AND TEST EQUIPMENT, AND CHEMICALS. WE HAVE DROPPED TWO FY-77 INITIATIVES: F-16 PLANE FOLLOW-ON BECAUSE WE EXPECT ALL THE ARRANGEMENTS WOULD HAVE BEEN PRACTICALLY COMPLETED AND THIS PROGRAM TO BE IN THE IMPLEMENTATION STAGE WITH REGARD TO EUROPEAN PRODUCTION IN THE NEXT YEAR TO EIGHTEEN MONTHS; AND THE SECTORAL APPROACH TO TRADE PROMOTION, SINCE BY THEN THE PROGRAM WILL BE WELL ESTABLISHED AND WILL BECOME A REGULAR PART OF THE DAY-TO-DAY ACTIVITIES OF THE COMMERCIAL SECTIONS.

D. IT WILL BE NOTED THAT THE CAMPAIGN AND INITIATIVE RECOMMENDATIONS COVER SEVEN OF THE EIGHT TARGET INDUSTRIES IN THEIR PRIMARY PROMOTION PERIODS AND ALL THE TARGET INDUSTRIES IN THEIR SECONDARY PROMOTION PERIOD. WE DID NOT INCLUDE METAL WORKING AND FINISHING EQUIPMENT BECAUSE OF THE ALMOST CRISIS SITUATION OF THE METAL WORKING AND SHIPBUILDING INDUSTRIES IN THE NETHERLANDS, THE MAIN USERS OF SUCH PRODUCTS. IF UNEXPECTEDLY THESE SECTORS RECOVER PRIOR TO FY-1978, WE WILL RECOMMEND INCLUSION OF THIS TARGET INDUSTRY IN THE CCP FOR THAT YEAR.

E. OUR RECOMMENDATIONS FOR THE FY-78 CCP ARE BASED ON THE SAME LEVEL OF CURRENT STATE-FUNDED PERSONNEL AS OUTLINED IN PARA 3 OF REF. B (TEN AMERICANS AND SEVENTEEN FSL'S). IN CASE OF CHANGE IN OUR PERSONNEL RESOURCES AT IMPLEMENTATION TIME OF THE FY-78 CCP, OF COURSE WE WILL HAVE TO ADAPT OUR PROPOSALS TO SUCH CHANGE. OUR RECOMMENDATIONS FOR THE FY-78 CAMPAIGN AND NON-CAMPAIGN ACTIVITIES ARE AS FOLLOWS:

2. SECTION III-CAMPAIGN/NON-CAMPAIGN INITIATIVE ACTIVITIES

A. CAMPAIGN NO. 1. PRIORITY RANKING NO. 1. TITLE: INCREASE SALES OF U.S. CONSUMER GOODS IN NETHERLANDS.

JUSTIFICATION:

DEMAND FOR U.S. CONSUMER GOODS IS INCREASING. WE EXPECT THIS TREND TO ACCELERATE LEADING TO ESTIMATED U.S. EXPORTS OF ABOUT \$450 MILLION IN PERIOD COVERED BY FY-78 CCP.

B. CAMPAIGN NO. 2. PRIORITY RANKING NO. 2. TITLE: IMPROVE U.S. MARKET SHARE FOR BUSINESS EQUIPMENT AND SYSTEMS.

JUSTIFICATION:

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GIVEN EXTREMELY HIGH AND STILL RISING LABOR COSTS, DUTCH FIRMS ARE RAPIDLY CONVERTING TO CAPITAL INTENSIVE BUSINESS EQUIPMENT AND SYSTEMS IN WHICH THE U.S. HAS THE LEAD. IN CY 1975, ONE-FIFTH OF IMPORTS CAME FROM U.S. WE EXPECT OUR SHARE COULD SUBSTANTIALLY INCREASE IN FY 1978, REACHING AN ESTIMATED \$40 MILLION. AS CURRENTLY, THESE EFFORTS WILL BE COORDINATED WITH THOSE IN THE COMPUTER CAMPAIGN.

C. CAMPAIGN NO. 3. PRIORITY RANKING NO. 3. TITLE: INCREASE
U.S. MARKET SHARE OF COMPUTERS AND RELATED EQUIPMENT.
JUSTIFICATION:
THE U.S. DOMINATES THIS SECTOR IN THE NETHERLANDS. THE MARKET
IS GROWING RAPIDLY AND IMPORTS COULD REACH \$320 MILLION DURING
FY 1978. THIS WILL OFFER INCREASED POTENTIAL FOR U.S. EXPORTS.

D. CAMPAIGN NO. 4. PRIORITY RANKING NO. 4. TITLE: INCREASE
U.S. MARKET SHARE OF POLLUTION CONTROL INSTRUMENTATION
AND EQUIPMENT.

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JUSTIFICATION

THE NETHERLANDS, ONE OF MOST INDUSTRIALIZED AND DENSELY POPULATED
COUNTRIES IN WORLD, IS PARTICULARLY CONCERNED WITH POLLUTION
CONTROL AND STRICT LEGISLATION HAS BEEN PASSED IN THIS FIELD.
US PRODUCTS WELL RECEIVED LOCALLY. GOOD POSSIBILITIES EXIST
FOR INCREASING US SHARE OF DUTCH MARKET, ESPECIALLY AS MORE
AMERICAN FIRMS, WHICH HAD INITIALLY CONCENTRATED THEIR EFFORTS ON
US DOMESTIC MARKET, TURN TO EXPORTING.

E. CAMPAIGN NO. 5. PRIORITY RANKING NO. 5. TITLE: INCREASE
US EXPORT OF COMMUNICATIONS EQUIPMENT.

JUSTIFICATION:

US EXPORTS OF TELECOMMUNICATIONS EQUIPMENT TO NETHERLANDS HAVE
BEEN RAPIDLY INCREASING IN RECENT YEARS. THEY REACHED \$25
MILLION IN 1974 AND JUMPED TO \$36 MILLION IN 1975. THE PTT
EXPENDITURES IN CY 1978 FOR TELECOMMUNICATIONS EQUIPMENT ARE

ESTIMATED AT \$385 MILLION. PTT PROCUREMENT IS GENERALLY CONCENTRAED ON NATIONAL INDUSTRIES. HOWEVER WE HAVE DEFINITE INDICATIONS OF ITS INTERST IN ACQUIRING FOREIGN EQUIPMENT IF COMPETITIVELY PRICED AND ESPECIALLY IF TECHNOLOGICALLY ADVANCED. ALTHOUGH PTT LARGEST SINGLE PURCHASER, OTHER BUYERS PURCHASE AN ESTIMATED \$50 MILLION ANNUALLY. THIS OFFERS ADDITIONAL GOOD MARKET POTENTIAL FOR COMPETITIVE AND SOPHISTICATED TELECOMMUNICATIONS EQUIPMENT.

F. CAMPAIGN NO. 6. PRIORITY RANKING NO. 6. TITLE: INCREASE
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US MARKET SHARE OF INDUSTRIAL SECURITY EQUIPMENT.

JUSTIFICATION:

THE DUTCH CRIME RATE HAS BEEN RISING RAPIDLY IN RECENT YEARS. FROM 1963 TO 1973 CRIMES AGAINST PROPERTY INCREASED BY 294 PERCENT. BUSINESS AND INDUSTRY ARE BECOMING INCREASINGLY CONCERNED ABOUT LOSSES DUE TO ROBBERY, BURGLARY, SHOP LIFTING, ETC. ACCORDINGLY, SALES OS SECURITY EQUIPMENT HAVE BEEN GROWING AND WE EXPECT THIS TREND TO CONTINUE. AMERICAN ELECTRONIC SECURITY EQUIPMENT HOLDS THE LEAD IN THE NETHERLANDS AND WE EXPECT OUR EXPORTS TO RISE DURING FY 1978.

G. CAMPAIGN NO. 7. PRIORITY RANKING NO. 8. TITLE: INCREASE
US EXPORTS OF PRINTING AND GRAPHIC ARTS EQUIPMENT.

JUSTIFICATION:

THIS SECTOR WAS AFFECTED IN 1975 BY THE RECESSION AND REGISTERED AN OVERALL DROP OF SOME 14 PERCENT IN COMPARISON WITH THE PREVIOUS YEAR. HOWEVER WE EXPECT THE DEMAND FOR EQUIPMENT TO RECOVER NOT ONLY AS THE ECONOMY IMPROVES, BUT ALSO BECAUSE OF THE TREND TOWARDS USE OF LABOR SAVING EQUIPMENT IN VIEW OF THE HIGH WAGE RATES PREVAILING HERE. THERE IS LITTLE LOCAL MANUFACTURING AND CURRENTLY WEST GERMNY IS THE LEADING SUPPLIER, WITH THE US OCCUPYING SECOND POSITION.

H. CAMPAIGN NO. 8. PRIORITY RANKING NO. 9. TITLE: INCREASE
US MARKET SHARE OF PROCESS CONTROL INSTRUMENTATION.

JUSTIFICATION:

RAPIDLY RISING LABOR AND RAW MATERIAL COSTS HAVE INCREASED DUTCH INTEREST IN MORE PRECISE CONTROL OF MANUFACTURING PROCESSES WITH RESULT THAT MARKET FOR THESE INSTRUMENTS HAS BEEN GROWING EVEN DURING PRESENT RECESSION. AMERICAN PRODUCTS ALREADY HAVE SUBSTANTIAL SHARE OF THIS MARKET AND THERE IS GOOD POTENTIAL FOR INCREASING IT.

I. CAMPAIGN NO. 9. PRIORITY RANKING NO. 10. TITLE: INCREASE
US EXPORTS OF LABORATORY INSTRUMENTS.
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JSUTIFICATION:

THE NETHERLANDS SPENT OVER \$1,000 MILLION ON RESEARCH AND DEVELOPMENT IN 1973 AND THIS AMOUNT IS SAID TO HAVE INCREASED IN SUBSEQUENT YEARS. IT SHOULD BE NOTED THAT MORE THAN 70 PERCENT OF THESE EXPENDITURES WERE MADE BY PRIVATE INDUSTRY. WHILE MUCH OF THIS EXPENDITURE WAS FOR PERSONNEL, A SUBSTANTIAL PART WAS FOR EQUIPMENT. DESPITE THE COMPETITION FROM WEST GERMAN AND DUTCH SUPPLIERS, OUR EXPORTS HAVE CONTINUED TO INCREASE. EC REGULATION 1798/75, REGARDING CUSTOMS DUTIES ON EDUCATIONAL, SCIENTIFIC AND CULTURAL MATERIALS, MAY INTERFERE WITH SOME US EXPORTS. HOWEVER WE BELIEVE ON BALANCE THAT SCIENCE AND TECHNOLOGY ARE IN OUR FAVOR. THEREFORE WE EXPECT OUR EXPORTS TO CONTINUE THEIR GROWTH.

J. CAMPAIGN NO. 10. PRIORITY RANKING NO. 12. TITLE: INCREASE
US EXPORTS OF BUILDING AND CONSTRUCTION EQUIPMENT
AND SUPPLIES (INCLUDING HARDWARE AND DO IT YOURSELF).

JUSTIFICATION:

DESPITE PRESENT SERIOUS SLUMP IN DUTCH BUILDING INDUSTRY, THERE HAS BEEN RELATIVELY GOOD DEMAND FOR US MATERIALS AND EQUIPMENT WHICH HAVE BECOME MORE PRICE COMPETITIVE IN RECENT YEARS. WE EXPECT AN INCREASE IN US EXPORTS PARTICULARLY IF DUTCH CONSTRUCTION INDUSTRY RECOVERS DURING THE FY 78 PERIOD, AS CURRENTLY ANTICIPATED.

K. CAMPAIGN NO. 11. PRIORITY RANKING NO. 13. TITLE: INCREASE
US EXPORTS IN THE ENERGY FIELD.

JSUTIFICATION:

WE EXPECT ENERGY CONSUMPTION IN THE NETHERLANDS TO GROW. THIS COMBINED WITH EFFORTS BY DUTCH AUTHORITIES TO CONSERVE ENERGY AND DIVERSIFY FUEL SOURCES, SHOULD GENERATE SUBSTANTIAL OPPORTUNITIES FOR CAPITAL GOODS. INVESTMENT IN THIS AREA MAY WELL EXCEED A BILLION DOLLARS IN 1978. EMPHASIS ON CONSERVATION SHOULD PROVIDE A GOOD MARKET FOR US MANUFACTURERS OF EQUIPMENT AND SYSTEMS THAT PROMOTE THE EFFICIENT USE OF ENERGY.

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REQUIREMENTS FOR DRILLING EQUIPMENT AND OFFSHORE SUPPLIES SHOULD CONTINUE IN CONNECTION WITH GAS AND OIL EXPLORATION AND PRODUCTION IN THE NORTH SEA. IN ADDITION, THE DUTCH GOVERNMENT IS EXPECTED TO CONSIDER ACTIVELY AFTER THE MAY 1977 ELECTIONS THE NOW POSTPONED CONSTRUCTION OF THREE NUCLEAR POWER PLANTS WHICH COULD LEAD TO SUBSTANTIAL EXPORT OPPORTUNITIES IF APPROVED.

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L. CAMPAIGN NO. 12. PRIORITY RANKING NO. 15. TITLE: INCREASE
U.S. SHARE OF FOOD PACKAGING AND PROCESSING EQUIPMENT.

JUSTIFICATION:

CURRENTLY, THE U.S. IS THE SECOND LARGEST SUPPLIER OF THIS EQUIPMENT IN THE NETHERLANDS, OUR MAIN COMPETITOR BEING WEST GERMANY WITH MORE THAN HALF OF TOTAL IMPORTS. DESPITE THE STRONG COMPETITION FROM LOCAL FIRMS AND WEST GERMANY, WE HAVE BEEN INCREASING OUR MARKET SHARE IN RECENT YEARS AND EXPECT THIS TRENDED TO CONTINUE WITH APPROPRIATE PROMOTION EFFORTS, PARTICULARLY IN ADVANCED TECHNOLOGY FPP EQUIPMENT.

3. SECTION III. NON-CAMPAIGN INITIATIVE ACTIVITIES

A. NON-CAMPAIGN INITIATIVE NO. 1. PRIORITY RANKING NO. 11.

TITLE: INCREASE U.S. EXPORTS OF AUTOMOTIVE PARTS AND ACCESSORIES, AND GARAGE EQUIPMENT.

JUSTIFICATION:

THE DEMAND FOR AUTOMOTIVE GARAGE MAINTENANCE AND REPAIR EQUIPMENT WILL CONTINUE TO GROW. PASSENGER CAR SALES IN 1975, A RECESSION YEAR, WERE AT AN ALL TIME HIGH AND REGISTERED A 14 PERCENT INCREASE OVER 1974. THE RECENT COMMERCIAL VEHICLE

EXHIBITION HERE DREW A RECORD NUMBER OF VISITORS--A 36 PERCENT INCREASE OVER THE PREVIOUS EVENT. THE SALES OF AUTOMOTIVE PARTS AND ACCESSORIES ARE ALSO EXPECTED TO INCREASE, ESPECIALLY AS IT IS EXPECTED THAT CARS WILL BE KEPT LONGER. THE INCREASED U.S. PRODUCTION OF SMALL CARS AND THE EXPANDING MANUFACTURE OF PARTS FOR FOREIGN CARS INCREASE OUR CAPABILITY FOR EXPORTS.

B. NON-CAMPAIGN INITIATIVE NO. 2. PRIORITY RANKING NO. 16.

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TITLE: INCREASE U.S. EXPORTS OF CHEMICAL AND PETROCHEMICAL PROCESSING EQUIPMENT.

JUSTIFICATION:

THE CHEMICAL AND PETROCHEMICAL SECTOR IS ONE OF THE LARGEST AMONG THE INDUSTRIES IN THE NETHERLANDS, REGISTERING SALES IN 1974 OF \$8 BILLION. INVESTMENT IN THIS INDUSTRY WILL INCREASE TO \$815 MILLION IN 1976. THIS SHOULD CONTINUE FOR MANY YEARS BECAUSE OF THE EXPECTED GROWTH IN THE INDUSTRY, THE POSTPONEMENT OF INVESTMENT IN THE PAST YEARS, THE HIGH COST OF ENERGY, AND THE INCREASINGLY TIGHT POLLUTION CONTROL REGULATIONS, AS WELL AS THE HIGH WAGES IN THE NETHERLANDS WHICH ENCOURAGE ACQUISITION OF LABOR SAVING EQUIPMENT. WE DO NOT HAVE EXACT FIGURES FOR U.S. EXPORTS OF THIS EQUIPMENT TO THE NETHERLANDS. HOWEVER, WE ESTIMATE OUR SALES HERE IN 1975 AT ABOUT \$27 MILLION.

C. NON-CAMPAIGN INITIATIVE NO. 3. PRIORITY RANKING NO. 17.

TITLE: INCREASE U.S. EXPORTS OF MEDICAL AND HEALTH CARE PRODUCTS.

JUSTIFICATION:

OUR EXPORTS OF THESE PRODUCTS TO THE NETHERLANDS HAVE MORE THAN DOUBLED BETWEEN 1973 AND 1975 JUMPING FROM \$15 MILLION TO \$33 MILLION. THE GON PROGRAM OF INCREASED CONSTRUCTION AND RENOVATION OF HOSPITAL FACILITIES, AS WELL AS THE EXPANSION OF CLINICS, INDICATES A CONTINUING INCREASE IN DEMAND. OUR ADVANCED TECHNOLOGY AND COMPETITIVE PRICES OFFER A GOOD POTENTIAL FOR INCREASED U.S. EXPORTS, DESPITE THE ACTIVE COMPETITION OF WEST GERMANY, THE U. K. AND FRANCE.

D. NON-CAMPAIGN INITIATIVE NO. 4. PRIORITY RANKING NO. 18.

TITLE: INCREASE U.S. EXPORTS OF ELECTRONIC INDUSTRY PRODUCTION AND TEST EQUIPMENT AND PARTS.

JUSTIFICATION:

WE EXPECT THE DEMAND TO HAVE RECOVERED BY IMPLEMENTATION TIME OF THE FY-78 CCP FROM THE DROP IT REGISTERED DURING THE 1975 RECESSION. ALTHOUGH HAMPERED BY THE EEC TARIFF AND NON-TARIFF BARRIERS, WE BELIEVE INCREASED SALES OF AMERICAN PRODUCTS ARE POSSIBLE MAINLY BECAUSE OF OUR COMPETITIVE PRICES AND ADVANCED TECHNOLOGY. ACCEPTANCE OF OUR PRODUCTS IS ENHANCED BY THE SOPHISTICATION OF THE NETHERLANDS MARKET.

E. NON-CAMPAIGN INITIATIVE NO. 5. PRIORITY RANKING NO. 19.

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TITLE: INCREASE U.S. EXPORTS OF CHEMICALS.

JUSTIFICATION:

THE U.S. IS A MAJOR SUPPLIER OF A WIDE RANGE OF CHEMICALS TO THE NETHERLANDS. WHILE OUR EXPORTS IN 1975 DROPPED TO \$540 MILLION, DOWN ABOUT 9 PERCENT FROM THE PREVIOUS YEAR, THIS WAS MOSTLY DUE TO RAPID INVENTORY ACCUMULATION DURING 1974 BOOSTING THAT YEAR'S TOTAL AND A SLOW FALL IN INVENTORIES IN LATE 1974 AND 1975 BECAUSE OF THE RECESSION IN THIS COUNTRY. THE VALUE OF U.S. CHEMICAL EXPORTS IN 1975 WAS ABOUT 47 PERCENT HIGHER THAN IN 1973. THE GON HAS PROJECTED FOR THE CHEMICAL INDUSTRY AN ANNUAL GROWTH OF 6.5 PERCENT UNTIL THE END OF THE DECADE. BECAUSE OF ITS LOCATION, THE NETHERLANDS IS AN IMPORTANT BUYING CENTER AND ENTREPORT FOR THE EUROPEAN CHEMICAL TRADE. PRIOR TO THE BEGINNING OF FY 1978, WE EXPECT TO COMPLETE OUR CURRENT SECTORAL SURVEY OF THIS INDUSTRY AND WILL MAKE A SPECIAL EFFORT TO IDENTIFY THE PRODUCTS THAT COULD BENEFIT FROM OUR TRADE PROMOTION EFFORTS.

F. NON-CAMPAIGN INIATIVE NO. 6. PRIORITY RANKING NO. 7.

TITLE: INCREASE ASSISTANCE TO USTC'S IN EUROPE.

JUSTIFICATION:

WE WILL CONTINUE AND EXPAND OUR CURRENT PROGRAM OF SUBSTANTIAL SUPPORT TO MAJOR EVENTS NOT ONLY AT THE FRANKFURT, LONDON AND PARIS USTC'S, BUT WILL ALSO INCREASE OUR ASSISTANCE TO THE USTC'S IN STOCKHOLM AND MILAN. WHILE WE ARE STILL HAMPERED BY THE DELAY IN THE RECEIPT OF INFORMATION AND DOCUMENTS ON MOST USTC SHOWS, WE HOPE THAT THE ARRANGEMENTS SUGGESTED IN THE HAGUE 5219, OCTOBER 14, 1975, WOULD HAVE BEEN FULLY IMPLEMENTED AND OPERATIONAL BEFORE FY-1978. THIS SHOULD ENABLE US TO IMPROVE APPRECIABLY THE EFFECTIVENESS OF OUR ASSISTANCE.

G. NON-CAMPAIGN INITIATIVE NO. 7. PRIORITY RANKING NO. 14.

TITLE: INCREASE SUPPORT FOR FOREIGN BUYER PROGRAM.

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JUSTIFICATION:

WE HAVE ALWAYS SUPPORTED THE FOREIGN BUYER PROGRAM AS AN INTEGRAL PART OF OUR INDIVIDUAL CCP CAMPAIGNS AND NON-CAMPAIGN INITIATIVES. THIS WILL BE CONTINUED. HOWEVER WE WILL NOW COVER ALL REPEAT ALL EVENTS INCLUDED IN THIS PROGRAM. NOTE: TIMELINESS IN RECEIPT OF BROCHURES AND "EXHIBITORS LISTS" PLAYS AN IMPORTANT ROLE IN THE POSTS EFFORTS TO ENCOURAGE FOREIGN BUSINESSMEN TO VISIT THESE FAIRS. THEREFORE COMMERCE MAY WISH TO CONSIDER SENDING AUTOMATICALLY TO INTERESTED POSTS A LIMITED NUMBER, SAY FIFTY, OF EACH FAIR BROCHURES AS SOON AS THEY BECOME AVAILABLE. THE POSTS WILL REQUEST THE ADDITIONAL MATERIAL THEY NEED.

H. NON-CAMPAIGN INITIATIVE NO. 8. PRIORITY RANKING NO. 20.
TITLE: INCREASE NUMBER OF TRAVELERS TO US.

JUSTIFICATION:

THE NETHERLANDS WAS THE ONLY "SPECIAL MARKET" IN EUROPE TO INCREASE THE NUMBER OF VISITORS TO THE UNITED STATES IN 1975. WE EXPECT THIS TREND TO CONTINUE AS IN THE PAST MANY YEARS. WE NOW HAVE IN OPERATION WHAT WE CONSIDER TO BE AN EFFECTIVE PROGRAM TO ENCOURAGE TOURISM TO THE UNITED STATES. THE INCREASING COOPERATION OF USTS, WASHINGTON AND LONDON, FOR WHICH WE ARE GRATEFUL APPRECIALLY INCREASE THE EFFECTIVENESS OF OUR EFFORTS(SEE THE HAGEU A-40, MAR 26, 1975).

I. NON-CAMPAIGN INITIATIVE NO. 9. PRIORITY RANKING NO. 21.
TITLE: EXPAND USEFULNESS OF COMMERCIAL NEWSLETTER.
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JUSTIFICATION:

WE WILL CONTINUE OUR ACTIVITIES TO SHARPEN THE EMBASSY COMMERCIAL NEWSLETTER AS A TOOL OF TRADE PROMOTION. WE HAVE INCREASED DISTRIBUTION BY 40 PERCENT SINCE LAST FALL. THIS EFFORT WILL CONTINUE UNTIL WE REACH THE MAJORITY OF THE UNIVERSE IN THE NETHERLANDS WHICH OFFERS POTENTIAL FOR EXPORTS OF US GOODS.

AND SERVICES.

J. NON-CAMPAIGN INITIATIVE NO. 10. PRIORITY RANKING NO. 22.
TITLE: MONITOR MAJOR PROJECTS.

JUSTIFICATION:

WE EXPECT THAT THE NETHERLANDS WILL CONTINUE TO UNDERTAKE MAJOR PROJECTS, ALTHOUGH THEY MAY BE LIMITED IN NUMBER. A SPECIAL EFFORT WILL BE MADE NOT ONLY TO ALERT WASHINGTON REGARDING THESE PROJECTS, BUT ALSO AS EARLY AS POSSIBLE TO ASSESS SUCH PROJECTS IN RELATION TO POTENTIAL FOR EXPORT OF US GOODS AND SERVICES.

K. NON-CAMPAIGN INITIATIVE NO. 11. PRIORITY RANKING NO. 23.
TITLE: INCREASE INVESTMENT PROTECTION/FACILITATION.

JUSTIFICATION:

CURRENTLY, THE INVESTMENT CLIMATE IN THE NETHERLANDS IS NOT PARTICULARLY ATTRACTIVE NOT ONLY BECAUSE OF THE VERY HIGH LABOR COSTS BUT ALSO BECAUSE OF HEAVY TAXATION, HIGH PRICES OF LAND, AND THE LEFT OF CENTER GOVERNMENT POLICY. ALL THIS CONTRIBUTES TO THE INHERENT ADVANTAGES OF THE US AS A SITE FOR DUTCH INVESTMENT. WHILE MAINTAINING A LOW PROFILE WE WILL CONTINUE OUR ASSISTANCE TO AMERICAN INVESTORS HERE, AS REQUIRED AND ALSO ENCOURGE POTENTIAL DUTCH INVESTORS TO DISCUSS THEIR PLANS WITH THE VARIOUS STATE DEVELOPMENT AGENCIES.

4. SECTION V. E/C PERSONNEL RESOURCE AND FINANCIAL SUMMARIES.

A. E/C PERSONNEL RESOURCE SUMMARY (IN WORK DAYS).
(1) PROFESSIONALS: CAMPAIGNS - FSO/R 305; FSL/P 505. NON-UNCLASSIFIED

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CAMPAIGN - FSO/R 1,455; FSL/P 1,915; PERCENT OF TOTAL 100.
(2) CLERICAL: CAMPAIGNS - FSS 30; FSL/C 265. NON-CAMPAIGN FSS 410; FSL/C 1,055; PERCENT OF TOTAL 100.

B. E/C FINANCIAL SUMMARY (IN US DOLLARS)
(1) CAMPAIGNS - TRAVEL 3,600; REPRESENTATION 2,600; CONTRACT SERVICES NIL; MISCELLANEOUS 3,100; PERCENT OF TOTAL 100.
(2) NON CAMPAIGN - TRAVEL 4,650; REPRESENTATION 6,350; CONTRACT SERVICES 6,000; MISCELLANEOUS 23,300; PERCENT OF TOTAL 100.

C. COMMENT: IF TABLES II(A) AND (B) OF ENCLOSURE TO REF C REFER ONLY TO CAMPAIGNS, ON THE ONE HAND, AND NON-CAMPAIGN ACTIVITIES ON THE OTHER, WITHOUT REQUIRING SEPARATE INFORMATION ON NON-CAMPAIGN INITIATIVE ACTIVITIES, WE BELIEVE THAT THEY WOULD NOT CLEARLY

REPRESENT THE POSTS RESOURCES ALLOCATED TO THE CCP. IN THE NETHERLANDS, WE ARE TREATING THE INITIATIVE ACTIVITIES IN THE SAME WAY AS THE FORMAL CAMPAIGNS WITH THE FOLLOWING DIFFERENCE: WHILE THE LATTER HAVE IDENTIFIED MANAGERS, THE FORMER ARE IMPLEMENTED BY THE STAFF IN ACCORDANCE WITH EACH INDIVIDUALS SECTORAL AND FUNCTIONAL RESPONSIBILITIES. AS AN INDICATION, WASHINGTON MAY FIND USEFUL THE FOLLOWING RESOURCE DATA WE PROPOSE TO ALLOCATE TO THE FY-78 INITIATIVE ACTIVITIES: (1) MAN DAYS; PROFESSIONALS: FSO/R 255; FSL/P 285; CLERICAL: FSS 10; FSL/C 260. (2) FINANCIAL (US DOLLARS) TRAVEL 2,100; REPRESENTATION 1,650; CONTRACT SERVICES NIL; MISCELLANEOUS 16,450. THE ABOVE TWO TABLES DO NOT CLEARLY SHOW THE MANPOWER AND FINANCIAL RESOURCES ALLOCATED TO THE CCP'S SPECIFIC ACTIVITIES. FOR MANPOWER, THE CAMPAIGNS REPRESENT 18.6 PERCENT AND INITIATIVE ACTIVITIES 13.3 PERCENT FOR A CCP TOTAL OF 31.9 PERCENT. FOR FINANCIAL RESOURCES, THE CAMPAIGNS REPRESENT 18.8 PERCENT AND INITIATIVE ACTIVITIES 40.7 PERCENT; FOR A CCP TOTAL OF 59.5 PERCENT.

5. ACTION REQUESTED: WE WOULD APPRECIATE THE COMMENTS AND GUIDANCE OF WASHINGTON ON THE ABOVE FOR BOTH THE FY-77 CCP AND THE PRELIMINARY INPUTS OF FY-78 CCP.

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Message Attributes

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Disposition Event:
Disposition History: n/a
Disposition Reason:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760143-0064
From: THE HAGUE
Handling Restrictions: n/a
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Review Action: RELEASED, APPROVED
Review Authority: oatisao
Review Comment: n/a
Review Content Flags:
Review Date: 30 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 JUN 2004 by SilvaL0>; APPROVED <08 SEP 2004 by oatisao>
Review Markings:

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04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRELIMINARY INPUT FOR FY-78 COUNTRY COMMERCIAL PROGRAM
TAGS: BEXP, AFSP, NL
To: STATE COM
Type: TE
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